

**Alabama Trust Fund
Board of Trustees Meeting
March 3, 2022
RSA Union Building, Suite 683**

Pursuant to public notice, a meeting of the Alabama Trust Fund Board of Trustees was held on March 3, 2022. The meeting was called to order at 10:00 AM by Mr. Boozer, Secretary. The roll was called by Secretary Boozer and recorded as follows with a quorum present.

Present:

Mr. Bill Poole, Vice Chair
Mr. Young Boozer, Secretary
Mr. Alvin Hope, II
Ms. Linda Green
Mr. John Norris
Mr. John Hornsby

Absent:

Governor Kay Ivey, Chair
Mr. Daniel Hughes
Mr. Guice Slawson, Jr

1. Approval of Minutes

The first item on the agenda was the review and approval of the minutes of November 18, 2021. Upon a motion made by Mr. Hornsby, and second by Mr. Norris and Mr. Hope, the reading of the minutes was dispensed and were unanimously approved as presented.

2. Quarterly Financial Reports

Mr. Boozer then reviewed the quarterly financial reports. He noted the Balance Sheet as of December 31, 2021, indicates total assets of \$3.4 billion, an increase of approximately \$62 million from the previous quarter end. Total capital is \$3.4 billion. The Statement of Revenues and Expenditures indicates total revenues of \$133 million and total distributions of \$60 million. Oil and gas receipts for the quarter were \$14.5 million. The remainder of the financial reports were reviewed and received as information.

3(a). Quarterly Performance - ATF

Ms. West, Callan LLC, presented the quarterly investment performance measurement report and market overview. Asset allocation was within rebalancing ranges. The portfolio had an overweight to domestic equity and underweight to real estate. Ms. West noted the RFP for closed-end and open-end real estate candidates was in process and responses were coming in. The return for the quarter was 4.51 percent beating the benchmark by 12 bps. The one-year return was a positive 13.17 percent. Ms. West then reviewed the returns by manager.

3(b). January Flash Report – ATF

Ms. West reviewed the flash report for January. The fund had unrealized loss of \$181 million. The fund overall is \$3.8 billion. The fund was down 1 percent for the month of January.

4(a). Watch List Review

On the watch list, Ms. West made the recommendation to remove Heitman from the watch list, Mellon and Algert to remain on the watch list for another year, Intech to remain on the watch list, and add Lazard to the watch list for performance. Upon a motion made by Mr. Hope, and a second by Mr. Norris, the watch list was approved as presented.

4(b). Investment Policy Statement Update

Under decision items, Ms. West presented the updated Investment Policy to the Board. Changes were made to include the lowered spending policy from 5% to 4.5% and the change in

asset allocation as approved by the Board on June 18, 2021. Upon a motion made by Mr. Hornsby and a second by Mr. Hope the Investment Policy was unanimously approved as presented.

4(c). Intech Consent Letter

The Treasurer's Office received a letter from Intech on February 8, 2022, regarding the assignment of the investment management agreement between Intech and the Alabama Trust Fund. Intech will acquire the company from its parent company, Janus Henderson Group plc, and become a private and fully independent company in 2022. Callan recommended consenting to the letter. Upon a motion made by Ms. Green and a second by Mr. Norris the resolution to consent to the change in control of Intech was unanimously approved.

5(a). Quarterly Performance - CMT

Ms. West then reviewed the CMT fund quarterly performance. For the quarter, the fund was up 5.63 percent and beating the benchmark by 1.20 percent. The one-year number is positive 13.70 percent beating the benchmark by 1.88 percent.

5(b). January Flash Report - CMT

Ms. West reviewed the flash report for January. The fund had unrealized loss of \$25 million. The fund overall is \$603 million. The fund was down 37 bps for the month of January.

6(a). Resolution – Sandra Sims-deGraffenreid

Under Other Business, Mr. Boozer presented the Board with a resolution honoring Dr. Sandra Sims-deGraffenreid's service to the Board. Upon a motion made by Mr. Norris and Mr. Hornsby the resolution was unanimously approved.

There being no other business, the meeting was adjourned.

Approved on May 26, 2022.

Bill Poole, Vice Chair

Young Boozer, Secretary

**Consideration of Resolution of the Alabama Trust Fund Board of Trustees
at its meeting held March 3, 2022**

Topic: Intech Change in Ownership Consent Letter

WHEREAS, the Board of Trustees of the Alabama Trust Fund (“Board”) is created in Section 3 of Amendment 450 of the Constitution of Alabama of 1901, as amended (the “Act”); and

WHEREAS, the Board has authority, pursuant to the Act, to execute contracts, agreements and other instruments as may be necessary or convenient to accomplish any purpose for which the trust fund was created; and

WHEREAS, since 2006, the Board has had an agreement with Intech Investment Management for domestic large cap equity management (“Agreement”); and

WHEREAS, the Agreement states it may not be assigned without the prior written consent of the Board; and

WHEREAS, on Tuesday, February 8, 2022, Intech notified the Board of its acquisition from the parent company Janus Henderson Group and will become a private and fully independent company; and,

NOW, THEREFORE, BE IT RESOLVED, following discussions, the Board consents to the change in control of Intech, and directs the staff to take any necessary actions to effectuate such consent.